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THE OUTLOOK FOR GHANA

Submitted by the

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Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 3 December 1957. Concurring were The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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THE OUTLOOK FOR GHANA

THE PROBLEM

To estimate Ghana's prospects for political stability and economic progress, and its probable orientation and policies over the next few years.

SUMMARY

1. Ghana's basic problems, temporarily disguised during the independence celebrations last March, are coming to the fore. The country has considerable political experience and economic resources. Nevertheless, Prime Minister Nkrumah and his Convention People's Party (CPP) government are encountering increasing opposition and internal party dissension as they try to make Ghana into a modern unitary state.

2. Ghana's fortunes will have a considerable impact both on the evolution of Africa and on the West's interests there for several reasons. Ghana wants to play a leading role among emerging African areas and its example and experience will affect developments beyond its borders. It will seek economic assistance from the West and also from the Soviet Bloc. It offers opportunities for the Soviets to extend their influence in Africa.

3. Nkrumah probably will maintain his leading position for several years through shrewd maneuvering and more authoritarian measures. But his currently ill-organized parliamentary opponents, as well as extreme leftists and other dissidents within his own party, are likely to give him increasing trouble. Despite sporadic disorders, internal security will probably not present unmanageable problems in the next few years. However, if Nkrumah should disappear from the scene, a probable CPP split would soon result in political instability.

4. While Nkrumah will try to play a major role in Africa, particularly in West Africa, Ghana's attention will be taken up with domestic problems and its ambitions blunted by the opposition of other African states. Furthermore, it will need to avoid serious conflict with the UK and other Western countries important to its trade.

5. Ghana's long-term prospects for developing and diversifying its economy are not favorable. Unless it receives foreign aid or investment, the government may not be able to support its current rate of development beyond the next two to

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three years without drawing down foreign exchange reserves required for other purposes. Ghana's search for such assistance and wider markets will probably be accompanied by shifts — rather than sharp alterations — in its present Western-oriented trade pattern in the absence of a major Bloc effort in the area. Prospects for financing the Volta River project in its entirety are uncertain, and Ghana probably will have to continue to depend on cocoa for its major source of income.

6. In foreign affairs, Nkrumah is likely to copy Nehru's policy of "non-alignment." Relations with the US and the UK are likely to remain friendly in at least the short run while Ghana makes large requests for aid. However, diplomatic and economic relations with the Soviet Bloc will almost certainly develop, and at least some aid will be accepted from that source if offered. The Bloc over a period, by using its opportunities for economic and subversive activity, might achieve a significant measure of influence in Ghana.

DISCUSSION

7. The British colony and protectorate of the Gold Coast on 6 March 1957 became the sovereign state of Ghana within the Commonwealth. Despite two years of rising internal dissension and sporadic minor violence, this transformation was accomplished in an atmosphere of general celebration. A last-minute, British-sponsored compromise on the proposed constitution warded off a serious threat from the various regional and minority groups opposed to the concentration of powers in Prime Minister Kwame Nkrumah's government. That government, formed by the Convention People's Party (CPP) in 1956, took office with a better than two-thirds parliamentary majority. However, the appearance of harmony disguised basic conflicts both in the country and within the CPP.

8. We believe that developments in Ghana — the first Tropical African colony to achieve independence — will have a considerable impact both on the evolution of Africa and on the West's interests there for at least three main reasons: (a) Ghana's experience will influence nationalist aspirations and movements elsewhere in Africa, (b) Ghana is likely to try to obtain substantial foreign assistance from a variety of sources including the US, and (c) it provides an opportunity for the expansion of Soviet influence in Africa.

9. The brief euphoria attending Ghana's achievement of freedom is now over. The new nation is being confronted with the difficulties inherent in its geographical, political, and social divisions.[1] Ghana's national boundaries, generally established by colonial annexation at the end of the 19th century, cut through tribal areas and separate a number of peoples, notably the Ewes along the Togo border. The government is facing the problem of translating into reality the expectations aroused by the prospect of independence. These are formidable obstacles for a country which is still largely underdeveloped. Much of the Northern Region is generations behind the coastal areas in the ways of the modern world. Moreover, some attachment to tribal customs and beliefs can be found among even the most educated and urbanized Ghanaians. Ghana inherited from British colonial rule the outward forms and procedures of Western political institutions. These institutions have changed as

[1] Ghana is divided into five regions: Eastern, Western, Trans-Volta/Togoland (including the southern portion of former British Togoland), Ashanti, and Northern (incorporating the remainder of Togoland). About 4,700,000 people live in a country roughly the size of the UK. Perhaps 15 percent of them are Christians and there are some Moslems, mostly in the North, but the large majority are animists. A wedge-shaped, heavily forested rainy area narrowing toward the east covers most of the Western Region and about half of Ashanti and the Eastern Region; much of the rest of Ghana is savannah. See attached map.

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they have been used by varied and often mutually antagonistic social groups in differing stages of modernization. However, they remain the framework within which the development of Ghana will take place.

10. Nkrumah and the CPP have three primary objectives — the creation of a modern unitary state, the development and diversification of Ghana's economy, and the extension of its influence throughout West Africa. Ghana, however, has only a limited potential for economic development, and is deficient in people with administrative or managerial experience. Venality is widespread among government office-holders, and the influence of the remaining British civil servants is being minimized. There is spreading internal resentment over the rough-shod treatment of regional, tribal, and traditionalist opponents of the CPP. Nkrumah not only has been unable to subdue the longstanding opposition in Ashanti and the North, but has recently been faced with disaffection in his own stronghold of Accra. He apparently is also under increasing pressure from militant left-wing elements within the CPP and its affiliates to carry out rapidly the more radical aspects of the CPP program. The odds are that he and his government will have to rely increasingly on repressive, authoritarian measures to retain power and put into effect their currently vague ideas for the creation of a modernized and united Ghana.

11. *Political Trends.* Nkrumah continues to dominate the political scene in Ghana, as he has since shortly after his return to that country late in 1947. A self-described "Marxist socialist" and "non-denominational Christian," the relatively youthful prime minister (in his late forties) has been exposed to a multitude of imperfectly assimilated influences. Although trained in both Catholic and Protestant theology, he still consults fetish oracles — probably to some extent for political reasons. He can act either as the benign father of his country or as a ruthless ward boss as the occasion demands. Despite his educational attainments (including four degrees earned in the US), his talents are expressed in terms of organizing ability, personality, and flamboyant oratory rather than of intellect. Contemptuous of the parliamentary opposition leaders, he seems convinced that he has correctly interpreted the will of Ghana's masses, on whom he has based his political party and his fortunes, as giving him a mandate to establish a unitary, secular, socialistic state by whatever means he considers necessary. At the same time, he relies heavily on the advice of those whose views he finds congenial or whose knowledge he respects. His real views are not easily determined, but there can be no question of his anticolonialism, his socialist approach to economic questions, his deep admiration for India's Nehru, and his determination to manipulate all issues — including the conflict between the Soviet Bloc and the West — to the betterment of Ghana's position.

12. Nkrumah still commands the loyalty of most CPP leaders, the admiration of much of the party's rank and file, and the respect of many other Ghanaians, although his following is far greater in the coastal regions than elsewhere. However, much of this support was gained through personal contact and easy accessibility; with his increased responsibilities, the prime minister has been forced to become more aloof and formal. Nevertheless, his quasi-mystical identification with the struggle for independence is likely to preserve his popular support for at least the next year or two.

13. Under Nkrumah's leadership, the CPP since its formation in 1949 has appealed to the masses, particularly to urban workers and to the many small farmers who look to the government for assistance in raising and marketing their crops. Unlike earlier nationalist groups led by intellectuals, professional men, and traditional authorities, the CPP has pulled in the unemployed, the illiterate, and the youth of the country. This essentially inexperienced membership is one reason why the CPP government is having such difficulty in filling administrative and technical posts with competent people. The CPP has the status of a national party, with 72 of the 104 seats in the unicameral parliament.[2]

[2] The CPP holds all 44 seats of the Eastern and Western Regions, 8 of the 21 Ashanti seats, 11 of the 26 Northern seats, and 9 of the 13 Trans-Volta/Togoland seats.

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14. In addition to its organizing work throughout the country, the party has gained considerable control over important voluntary organizations — notably the Trades Union Congress (with a claimed membership of over 90,000), the Farmers' Council, and the Ex-Servicemen's Union. Nkrumah has created a National Association of Socialist Students Organizations (NASSO) to act as a cadre of party intellectuals charged with "ideological and political education." The recent organization of the unemployed into a "Builders Brigade," patterned on the US Civilian Conservation Corps of the 1930's, may also provide a channel for the exercise of CPP political control. Moreover, despite constitutional provisions to the contrary, the civil service and the judiciary are susceptible to CPP influence.

15. There has been a decline in the internal unity of the CPP during the period since Ghana achieved its independence. This loss of cohesion, however, has not gone far enough to have any measurable effect on the government's strength. Prior to March 1957 the CPP, although it had broad popular support, lacked strong internal discipline and to a large degree was held together by the drive for independence. Dissension within the party has recently developed as groups and individuals have sought to advance their personal status or ideas. Since this shaking-down process is continuing, the relative strength of the various leaders and groups within the CPP and its affiliates cannot be fully assessed. Nevertheless, the possibility of a split in the CPP seems to constitute the most serious threat to Nkrumah's position.

16. While the CPP and its ministerial leaders seem loyal to the prime minister and share his basic socialist orientation, ideological divisions are beginning to appear within the cabinet. Finance Minister Gbedemah and Minister of Justice Ako Adjei increasingly appear to stand for relative conservatism. Kojo Botsio (recently named Minister of State and virtual deputy prime minister and CPP leader) and, to a greater extent, Interior Minister Krobo Edusei and Information Minister Kofi Baako represent a seemingly more potent and dynamic element. Nkrumah himself appears to incline more toward the latter group, which includes his closest personal friends. Although Gbedemah is said to be personally loyal to Nkrumah, they disagree in many respects and allegedly are barely on speaking terms. Loyalty to Nkrumah is less strong below the ministerial level. A hard core of extreme socialists dominates NASSO, particularly through Secretary-General James Markham. It is also influential in the labor movement and has a powerful advocate in Attorney General Geoffrey Bing, an extreme left-wing former British MP. This group opposes the relatively cautious approach to domestic reform and international relations which it considers the Nkrumah government to be adopting.

17. The various regional and traditionalist groups opposed to the CPP have recently formed a loose coalition as the United Party (UP), but this does not seem to portend any immediate change in their relatively weak parliamentary position.[3] The merger resulted more from the government's decision to ban political parties with regional, tribal, and religious bases than from any newfound identity of views. These parties, led by the NLM, have had little in common beyond their opposition to Nkrumah and the centralizing policies of the CPP. Although advocating parliamentary democracy, they have fomented and threatened violence. Through such tactics the NLM caused the UK to persuade the CPP government to accept concessions to the regions in the 1957 constitution. However, the CPP not only is opposing the full implementation of those concessions (i.e., creation of regional assemblies and houses of chiefs with substantial powers), but has sent out regional commissioners with cabinet status to assert the authority of the central government. For the foreseeable future, the UP, unless it can profit from a split in the CPP ranks, is likely to re-

[3] The UP consists of five opposition groups represented in Parliament; the most important are the Northern People's Party (NPP) with 15 parliamentary seats, and the National Liberation Movement (NLM) based on Ashanti, with 12 seats. The UP is also supported by a Ga tribal movement, which resists the threat to local customs and land rights posed by the influx of outsiders into Accra.

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main powerless to arrest by legal means the trend toward centralization.

18. The few score identifiable local Communists now play no independent political role. Such influence as the Communists possess is exerted through NASSO, at the lower levels within the labor movement, and through their association with the extreme left-wing socialists, who have easy access to government leaders. There is no organized Communist party and little prospect of one being formed so long as the Communists continue their apparent course of attempting to influence the CPP government from within the party and its affiliates, and so long as Nkrumah continues to oppose any organization which might escape his control. In the likely event of Soviet Bloc missions being established in Ghana, local Communists will probably gain some increase in influence and are likely to become increasingly troublesome to Nkrumah. However, the Communists are unlikely during the period of this estimate to win sufficient strength to determine basic government policy.

19. Unless there should be defections among the CPP members of Parliament so large as to destroy its majority, national elections will probably not be held until required in 1961. Whether or not the political scene will have basically changed by that time will depend largely on these factors: (a) the government's ability to satisfy aroused popular expectations of economic benefits, (b) the degree to which job demands by CPP members can be met without a critical loss of efficiency in official services, (c) the reaction to the government's attack on opposition leaders, and (d) the ability of the government to prevent significant defections from the CPP. On all these counts the prospects are for some deterioration in the present situation.

20. We believe that Nkrumah through shrewd maneuvering will be able to prevent any basic split in the CPP or substantial defections from its parliamentary majority over at least the next year or two. If such a split should occur or seriously threatened, Nkrumah might maintain his authority by suspending the constitution. In any event, we believe there is a better than even chance that Nkrumah will remain in power as head of the government by one means or another over the next several years. His personal power has already been heightened by his assumption of many prerogatives formerly associated with British rule. Although he may not wish to become a dictator, his own character and future political developments in Ghana in time might force him to take increasingly authoritarian measures if he is to continue as prime minister. He could probably only avoid such steps if his policies had meanwhile proved sufficiently successful to maintain his personal prestige and popular support for the CPP.

21. Should Nkrumah die (violently or naturally) or give up his position, his followers within the CPP would probably remain in control for at least the short term. But the party's centrifugal tendencies would accelerate, with the probable result of a split and a consequent high degree of political instability in Ghana.

22. *Internal Security Prospects.* The CPP over the short term will press on with its efforts to unify and modernize the country with every weapon at its command. Deep-rooted regional and tribal loyalties will, however, delay this process. Sporadic outbursts of civil disorders, especially in the unruly Ashanti Region, will occur during the next few years — their frequency and intensity depending on the methods and extent of government moves against the opposition and the nature of the economic situation. Both the CPP and the NLM have strong-arm squads. A violent outbreak could take place next spring when the government is scheduled to make clear its position regarding regional institutions, since that position will almost certainly be aimed at minimizing their powers.

23. The government has available for maintenance of internal security a police force of about 5,500 men — roughly half of them trained in riot squad operations — and an army of approximately 4,500. There are no known plans for other types of armed forces. The army is largely officered and equipped (with small arms and light cannon) by the British, while nearly half the senior police officers are British contract employees. The effectiveness of these forces will be adversely

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affected by the gradual withdrawal of British personnel. However, for at least the next year or two, the government probably will be able to cope with almost any disturbance which the opposition could produce. One possible exception might be a situation in which the Northern Territories were deeply involved, since a large percentage of the army and police comes from the North. Another might be a case in which the government took some extreme action which touched off a general Ashanti uprising. In the event of a flagrantly unconstitutional repressive move by the government, the British officers in the army and police might refuse to act. Even in such a situation, however, the government would probably be able to enforce its will save in the exceptional circumstances described above.

24. *Economic Conditions and Trends.* The CPP government's success will depend in large measure on progress toward its second objective: the development and diversification of Ghana's economy. The outlook for the availability of sizable funds for development is superficially good, but only for the short term. Ghana over the past few years has been able to finance the major portion of its development from its own resources — outlays since 1951 have been roughly $300 million. However, this was accomplished mainly as a result of inflated world prices for cocoa in the period 1951–1955; those prices fell sharply thereafter. Thus Ghana's economic position is heavily dependent on an export commodity which is vulnerable to severely fluctuating prices and to limitation of production by various diseases. Over half of the country's export earnings were derived from cocoa in 1956.[4] Timber, diamonds, gold, and manganese each accounted for roughly 10 percent of those earnings. But future prospects for greater yields of these commodities are not bright. Ghana's most important known potential resources are its bauxite deposits, ranked third in terms of world reserves. Their full exploitation, however, will be very expensive. While there may be undiscovered mineral resources, particularly in the North, Ghana's economic prospects are now dependent on development of the bauxite deposits, agriculture, and secondary industry.

25. The government has a number of instruments through which it is attempting to fulfill demands created by the rapid transition from a subsistence to an exchange economy. Despite Nkrumah's professed encouragement of free enterprise and foreign investment, the government is extending its control over an ever-widening sector of the economy. While foreign interests (mostly British) still dominate such fields as commerce and mining, all public utilities are owned by the government, which also engages in commercial banking services and owns various enterprises. The government exercises considerable control over the industrial and agricultural sectors through the Cocoa Marketing Board, the Industrial Development Corporation, and the Agricultural Development Corporation. The growing scale of government economic operations is resulting in the operation of many public projects at a loss, due to their uneconomic nature and the lack of managerial talent.

26. The government's immediate economic objectives are being pursued under the First Development Plan of 1951, which stresses basic facilities and social services. A two-year consolidated Development Plan is now envisaged which will include new schemes as well as uncompleted projects from previous programs. About $50 million in development expenditures are scheduled to be spent in FY 1958, ending next June. Aside from these plans, a high priority is being given the proposed Volta River project. Its primary purpose is to provide electric power sufficient for production of over 200,000 tons of aluminum annually. However, the most recent assessment of the full project placed its final cost at about one billion dollars, mostly in foreign exchange. In addition, prospects for marketing Ghanaian aluminum have been diminished by the changing world aluminum supply position.

27. There is some doubt as to the government's ability to support even its current rate of expenditures for development beyond the next two to three years without drawing down

[4] Cocoa production is the major factor in Ghana's national income — estimated in 1955 at $654 million, or $142 per capita.

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foreign exchange reserves required for other purposes. When Ghana became independent last March cocoa prices had reached the lowest level since 1948, with consequent repercussions throughout the economy. The country in 1956 experienced an unfavorable trade balance on current account of $50 million, the first serious payments deficit in recent years; this was met by drawing on overseas balances (which stood at about $550 million at the beginning of 1957). As a result, certain economies have been made in the current ordinary budget of about $125 million, but they are largely offset by new expenditures for foreign relations and internal security. At the beginning of FY 1958, Ghana's sterling holdings earmarked for development were equivalent to $110 million — adequate to support the current planned rate of expenditure for at least the next two years. Although cocoa prices have risen considerably in recent months, they do not promise any large addition to development funds.

28. Thus the government is now seeking foreign assistance from various Western sources to supplement its development funds and obviate the necessity for drawing heavily on stabilization and currency reserves. It has received Soviet emissaries with whom expansion of trade and credit relations and establishment of diplomatic relations have been discussed. It has announced that it will ask the USSR and Communist China, as well as Free-World nations, to receive Ghanaian trade missions. The government is also taking soundings of possible foreign financial assistance for the Volta River project, which is far beyond its own means. The most that Ghana could invest in the project would probably be about $250 million; this would require the virtual elimination of all other development projects and, as mentioned above, a serious drain on reserves needed for other purposes. Although Ghana will make every effort to undertake the full project, it may settle for a part (i.e., the processing of bauxite into alumina) if sufficient financing is not forthcoming. In any case, it is likely to move cautiously on the issue in the near future to avoid the risk of a political setback if it is unable to obtain assistance.

29. Since Ghana's foreign trade is largely oriented toward the UK, the OEEC countries, and the US, it would probably prefer to receive external aid from Western sources — for practical rather than ideological reasons. However, the government will try to insure that in approaching the West it does not preclude the possibility of economic benefits from the Soviet Bloc; even moderate Ghanaians are urging that all possible contributors of foreign capital be given a chance to bid against each other. Ghana is particularly concerned about the effect of the proposed European Common Market duties on cocoa, which favor imports from the French and Belgian colonies, and therefore wishes to expand its trade relations with the dollar area, the Bloc, and Japan in order to reduce its dependence on Western European markets.

30. While trade with the Soviet Bloc in 1956 was only about two percent of Ghana's total, the USSR's heavy cocoa purchases on the eve of Ghana's independence (taking advantage both of favorable buying terms and of the propaganda opening) were probably a harbinger of increased trade or barter arrangements with the Bloc over the next few years. There will almost certainly be some shifts in the future trade pattern with the West, but sharp deviations are unlikely over the next few years in the absence of a major Bloc effort involving long-term credits for development.

31. Ghana's long-term prospects for developing and diversifying its economy are not favorable. Local private investment funds are virtually nil, and foreign private capital is unlikely to be attracted to the area because of limited opportunities, increased government controls, and the fear of political instability. Even with another period of high returns for cocoa, Ghana's rapid expansion would be hampered by the traditional living pattern and the shortage of educational facilities, skills, and incentives for saving and investment. Until these problems are overcome, a large share of expenditures will continue to go into consumption, and the provision of social services will strain government resources. Ghana probably will have to continue to depend on agriculture for its major source of income.

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32. *Probable Foreign Policies.* The CPP leaders probably will do their best to adapt Ghana's external policies to these economic considerations. Such policies thus will be based on pragmatic rather than ideological grounds. Nkrumah has forcefully proclaimed a policy of "non-alignment" in international affairs, and is likely to copy Nehru's attitude toward the great powers. Hence, his government will tend to appraise foreign countries by the degree of sympathy they display for Ghana's aspirations. The neutralist attitude of Ghana's leaders, their acceptance of authoritarianism, their propensity for bargaining, and their wish to maintain a purely African outlook will lead them to explore the possibilities of playing the West off against the Bloc.

33. Nkrumah's pan-African sentiments are likely to promote a particular effort by Ghana to play a major role in the continent's affairs. His proposal for a conference of independent African states — now scheduled for April 1958 — indicates his likely tactics in this regard. On such occasions, Nkrumah will seek recognition as a primary spokesman for African nationalism. The very fact of Ghana's existence heightens the pressures for independence in other African territories, but there is as yet no indication that Ghana is ready to give more than diplomatic and propaganda support to other nationalist movements, except perhaps to those in contiguous areas. Furthermore, while the rank and file of nationalist movements in Africa south of the Sahara acclaim Nkrumah's achievements, many leaders — especially in nearby West African areas — are his potential rivals and are suspicious of the possible effects of his influence in their countries.

34. Nkrumah has an interest in promoting a West African federation initially composed of Ghana and the several British colonies in the region as they achieve independence. However, most Ghanaians are now preoccupied with domestic questions. Nkrumah will be further inhibited from any action in this realm by the present need to avoid conflict with the UK for economic reasons, and by fears of the eventual supremacy of Nigeria, which has a far greater economic potential and population than Ghana.

35. In at least the short term, Ghana's attention is likely to be directed toward the French territories which surround it. While officially supporting independence for the Trust Territory of Togo, which is already an "autonomous republic," the CPP is likely to foster a policy for its union with Ghana.[5] This, and other possible covert moves, probably will result in controversy with France and some unrest in the region concerned. Elsewhere in the area, Ghana's relations with Liberia are likely to be marred by rivalry and mutual dislike. Despite its seemingly friendly relations with Egypt, Ghana will be sensitive to any attempt at domination. Its recent contacts and agreements with Israel show that Ghana, while maintaining close ties with the Arab states as fellow members of the Afro-Asian UN group, will not necessarily endorse all their views.

36. Ghana's relations with the UK will be frequently subject to mutual irritants, but there is little likelihood that Ghana will leave the Commonwealth as long as it expects to benefit from the association. However, Nkrumah might make himself Governor-General or declare Ghana a republic within the Commonwealth. Any major problem that might arise with the UK would probably be of an economic nature, and would specifically concern Ghana's large holdings of sterling or its proposals for Commonwealth protection against loss of cocoa revenues. The outlook for substantial British assistance is dim.

37. A conflict with the UK over defense matters is unlikely, since the British have viewed with equanimity Ghana's current withdrawal from West African defense arrangements. The UK now seems to believe that Ghana's attachment to a policy of neutrality will preclude any future contribution to area defense. The principal installation in Ghana of military significance, the Accra airfield, would probably not be made available to the West

[5] The southern part of Togo is dominated by the Ewe people; the majority of Ewes reside in Ghana.

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in the event of hostilities with the Soviet Bloc unless Ghana itself were involved. Whether or not transit facilities might be available in other cases would largely depend upon Ghana's relations with the countries concerned.

38. Attitudes and policies toward the US will probably be shaped largely by economic interests. A growing number of Ghanaians have visited the US, where they have been particularly impressed by technical achievements, but repelled by the racial discrimination which they encountered. Both on the latter count and because of the extremes in which its anticolonialism is expressed, Ghana does not find moderate US policies very appealing. Ghana nevertheless is favorably disposed toward the US at present, especially since it is regarded as the logical source of the foreign capital and technical assistance essential for the Volta project, and Ghana is likely to make large requests for aid in the near future.

39. However, even if offered substantial Western assistance, it is highly unlikely that Ghana would undertake to forego ostensibly profitable trade relations with the Communist Bloc. Economic relations with the Bloc will probably increase. Some degree of Bloc diplomatic and commercial representation is almost certain to be accepted by Ghana, thereby giving the USSR a foothold in West Africa. The Bloc over a period, by using its opportunities for economic and subversive activity, might achieve a significant measure of influence in Ghana.

40. The extent of Soviet influence will depend in large part upon the degree to which Ghana may become dependent on the Bloc for technical and financial assistance or for markets for its exports. We believe that Ghana's desire to avoid close alignment with any great power and to act independently in African affairs will limit both Soviet and Western influence in at least the short run. However, the practice of the Bloc of taking positions on "colonial" and racial matters similar to those of the former colonies will often result in Ghana's lining up with the Bloc on certain issues before the UN. These relationships are likely to develop regardless of any countering Western actions.

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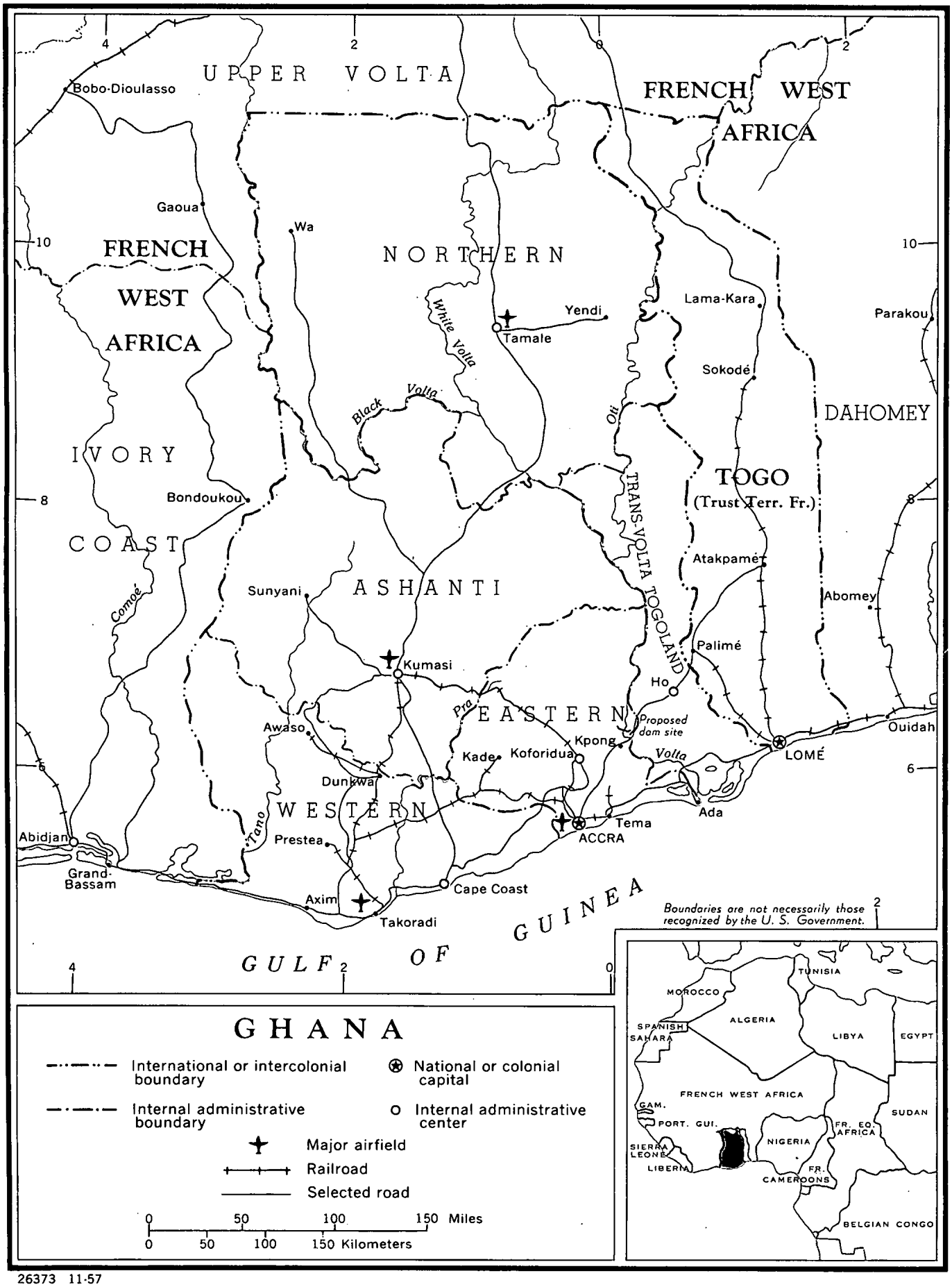

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